

AUDIT COMMITTEE – 11 MARCH 2020

Head of Strategic Support

Part A

ITEM 12 INTERNAL AUDIT PLAN 2020/21

Purpose of Report

To present the proposed Internal Audit plan for 2020/21, including the proposed IT Audit Plan for the period 2020/21.

Recommendations

The Committee is recommended to approve the proposed Internal Audit Plan as set out in the Appendix.

Reasons

To ensure that internal audit resources are effectively utilised.

Policy Justification and Previous Decisions

The Council is required by the Accounts & Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes; taking into account public sector internal auditing standards or guidance.

Implementation Timetable including Future Decisions

The Internal Audit Plan will be completed during the period April 2020 – March 2021. Progress against the Plan will continue to be reported to the Committee on a quarterly basis.

Report Implications

The following implications have been identified for this report.

Financial Implications

None

Risk Management

The risks associated with the decision the Committee is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Failure to approve a satisfactory audit plan	Unlikely (2)	Serious (3)	Moderate (6)	Audit plans are derived using a risk based methodology and

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
could lead to ineffective targeting of internal audit resources.				in consultation with the Corporate and Senior Management Teams.

Background Papers: None

Officers to contact: Adrian Ward, 01509 634573
adrian.ward@charnwood.gov.uk

Lisa Marron
lisa.marron@nwleicestershire.gov.uk

Part B

1. Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Audit Executive (CAE) establishes a risk based Audit Plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- 1.2 The PSIAS also require that the risk-based plan must take into account both the requirement to produce an annual Head of Internal Audit opinion to support the Annual Governance Statement and the assurance framework.
- 1.3 The Internal Audit Service will be delivered and developed as set out in the Internal Audit Charter
- 1.4 The Audit Plan is required to be reviewed and approved by both senior management and the 'Board'. As set out in the Internal Audit Charter, the role of the 'Board' is fulfilled by the Audit Committee.
- 1.5 Progress against the approved Audit Plan, together with any amendments required during the year, will be reported to the Audit Committee through the periodic reporting process.

2. Proposed Internal Audit Plan 2020/21

- 2.1 The proposed annual Audit Plan for 2020/21 is attached as an Appendix.
- 2.2 The Audit Plan has been prepared following a risk based assessment of the 'audit universe' and consultation with the Senior Leadership Team and Corporate Leadership Team, to identify the Council's key risks.
- 2.3 Each audit assignment included in the Plan has been aligned to the Strategic Risk Register as appropriate.
- 2.5 The resources for technical Information Technology (IT) audits have been procured. Further details are recorded within the proposed plan.
- 2.5 The resources allocated to each audit assignment have been planned based upon the expected complexity of the audit and by reference to previous audits where applicable.
- 2.6 A contingency of 14 days has been included in the Plan to provide flexibility in the event of ad hoc investigatory and other unplanned work being required to be undertaken during the year. The Plan also allows for completion of a number audits not finished to final report stage from the 2019/20 annual plan.
- 2.7 It is not intended to place reliance on any other forms of assurance at this time.

2.8 The proposed Audit Plan has been reviewed and approved for presentation to the Audit Committee by the Senior Leadership Team.

3. Resources

3.1 This will be the first year of the new shared Internal Audit service with Blaby and North West Leicestershire District Councils.

3.2 It is anticipated that there will be sufficient resources available within the Internal Audit Team to enable the areas of key risk identified in the planning process to be included in the proposed Audit Plan. The resource requirements were ascertained by an allocation of audit days to each planned assignment.

Appendix

Proposed Internal Audit Plan 2020/21.

